



Budget Speech

OF

THE HON. ERNEST C. MANNING
TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 6th
1953

IN THE

Legislative Assembly of Alberta
ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENT OF
FINANCIAL AND GENERAL INFORMATION

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BUDGET SPEECH

THE HON. ERNEST C. MANNING

Mr. Speaker:

I move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

In moving this motion, it is again my responsibility to present to the honorable members of this Assembly a factual report on the financial affairs of the Province and outline the budgetary proposals for the ensuing fiscal year. The continued rapid development of our provincial economy and the steady growth of our population will, during the coming year, impose new and greatly increased demands on the public treasury. At the same time, the Government is confident that the continued orderly development of our natural resources under policies which secure for the people as a whole a fair share of the proceeds will enable us to meet these increased demands without impairing the position of financial stability to which we have attained as a Province.

I am pleased to report that during the current fiscal year, notwithstanding record expenditures for social services and capital development, Alberta became the first Canadian province to accumulate cash surpluses and investments in excess of its total indebtedness, an achievement of which every honorable member and every citizen of this Province can be justly proud.

The next step in the Government's program is to institute practical measures to assist municipal governments in attaining a comparable measure of financial independence and stability. Accordingly, the budget I am privileged to present today embodies substantially increased appropriations for direct municipal assistance and a program under which the total estimated necessary municipal borrowings for the ensuing year will be advanced by the Provincial Government from a revolving fund, established under legislation to be introduced during the present session.

The total over-all budgetary revenues for the ensuing year are estimated at \$138,368,160, an increase of \$21,511,890 over the previous year. The total estimated expenditure, exclusive of loan funds to be established by statute, is \$137,958,130, an increase of \$21,381,160 over the current fiscal year. Including the additional funds to be provided by statute for loaning purposes, the total expenditures for the ensuing year will be \$174,083,130, which exceeds the current year's total budget and statutory appropriations by \$50,506,160. In order that all honorable members will be fully informed as to the proposed allocation of provincial revenues and funds drawn from accumulated surpluses, I have prepared the following condensed summary of the total expenditures proposed and have indicated the net total allocated to each of the major public services.

ESTIMATES, 1953-54

Service	Income Account	Capital Account	Less Reimbursements not included in Revenue		Net Total	Percentage
			Total	Revenue		
Public Debt.....	\$ 5,566,880		\$ 5,566,880	\$ 840,420	\$ 4,726,460	2.72%
Executive Council and Legislation.....	1,599,175		1,599,175		1,599,175	.92
Agriculture and Water Resources.....	2,483,425		2,483,425	117,960	7,181,990	4.13
Attorney General.....	3,004,115	\$ 4,816,525	7,299,950		3,004,115	1.73
Education and Vocational Training.....	19,609,230	802,220	20,411,450	551,633	19,859,817	11.41
Municipal Affairs.....	1,098,150		1,098,150	276,000	822,150	.47
Provincial Secretary.....	692,800		692,800	23,000	669,800	.38
Public Health.....	17,860,800	2,484,400	20,345,200	2,233,400	18,111,800	10.40
Public Welfare.....	9,120,000	50,000	9,170,000	1,800,000	7,370,000	4.23
Public Works, Railways and Telephones.....	3,015,840	2,994,980	6,010,820	5,580	6,005,240	3.45
Treasury.....	9,636,128	25,000	9,661,128		9,661,128	5.55
Industries and Labour, Economic Affairs.....	1,495,620	3,000	1,498,620		1,498,620	.86
Lands and Forests, Mines and Minerals.....	4,049,645	1,409,640	5,459,285	1,096,500	4,362,785	2.51
Highways and District Roads.....	12,359,940	36,050,520	48,410,460	325,500	48,084,960	27.62
Total Estimates.....	\$91,591,838	\$48,636,285	\$140,228,123	\$7,269,993	\$132,958,130	76.38
STATUTORY:						
Savings Certificate Redemptions.....		\$50,000	\$50,000		\$50,000	.03
LOANS:						
Self Liquidating Projects Act.....		\$ 5,000,000	\$ 5,000,000		\$ 5,000,000	2.87
Alberta Government Telephones.....		8,000,000	8,000,000		8,000,000	4.60
Municipal Assistance Loan Fund.....		25,000,000	25,000,000		25,000,000	14.36
Rural Electrification Revolving Fund.....		3,000,000	3,000,000		3,000,000	1.72
University Students Loan Fund.....		75,000	75,000		75,000	.04
Total Loans.....		\$41,075,000	\$ 41,075,000		\$ 41,075,000	23.59
Total Estimated Expenditures.....	\$91,591,838	\$89,761,285	\$181,353,123	\$7,269,993	\$174,083,130	100%

Before dealing in greater detail with the estimated revenues and expenditures, may I briefly review some of the more important factors relating to the present progressive development of our provincial economy.

AGRICULTURE

The total value of marketed agricultural products in 1952 is estimated at \$767,088,000, an increase of \$15,877,000 over the previous year. It should be noted, however, that this over-all increase was due to the above average yields of field crops which offset the substantial decline in the value of live stock and live stock products as compared with the previous year. The total value of field crops production was \$559,690,000, an increase of \$56,623,000 over 1951. Live stock marketings totalled \$133,434,000, a decrease of \$32,912,000, while live stock products valued at \$73,964,000 showed a decrease of \$7,834,000.

The following summary shows in detail the comparative values of agricultural products for the crop years 1951 and 1952:

FIELD CROPS

	1951		1952	
	Production Bushels	Value	Production Bushels	Value
Wheat	152,000,000	\$229,520,000	172,000,000	\$266,600,000
Oats	134,000,000	91,120,000	129,000,000	90,300,000
Barley.....	105,000,000	113,400,000	118,000,000	129,800,000
Other Coarse Grains	8,504,000	10,632,000	10,700,000	13,494,000
Flaxseed.....	1,570,000	6,123,000	2,000,000	6,380,000
Potatoes.....	2,334,000	4,049,000	3,256,000	4,754,000
	Tons		Tons	
Sugar Beets	349,194	5,007,000	480,000	7,200,000
Hay and Clover	2,166,400	38,337,000	2,275,700	35,149,000
Miscellaneous		4,859,000		6,013,000
Total Value Field Crops Production		\$503,067,000		\$559,690,000
An increase of \$56,623,000.				

LIVESTOCK

	1951		1952	
	Number	Value	Number	Value
Cattle and Calves.....	489,271	\$113,327,000	459,255	\$ 77,621,260
Sheep and Lambs.....	96,924	2,674,000	128,698	2,432,392
Swine	957,773	49,411,000	1,362,144	52,674,108
Horses.....	28,418	934,000	17,087	706,000
Total Livestock Marketing		\$166,346,000		\$133,433,760
A decrease of \$32,912,240.				

LIVESTOCK PRODUCTS

	1951	1952
Dairy Products.....	\$47,258,000	\$45,375,000
Poultry Products	30,057,000	24,285,000
Honey.....	569,000	552,000
Wool.....	1,088,000	916,000
Fur Farming	2,826,000	2,836,000
Total	\$81,798,000	\$73,964,000
A decrease of \$7,834,000.		

SUMMARY

	1951	1952
Field Crops	\$503,067,000	\$559,690,000
Livestock	166,346,000	133,433,760
Livestock Products	81,798,000	73,964,000
	\$751,211,000	\$767,087,760

A net increase of \$15,876,760.

The decline in the prices of livestock and livestock products during the past year was first precipitated by the outbreak of foot and mouth disease in Western Canada, resulting in the imposition of foreign and domestic embargoes which seriously restricted livestock markets. Sales to Britain were curtailed by the dollar shortage arising from the inconvertibility of the pound sterling, a situation that calls for remedial measures by the national governments concerned.

The removal of the United States embargo on Canadian livestock will again afford access to the American market. While this may not result in any immediate increase in livestock prices to our farmers, it will definitely improve the long range market outlook.

Indications are that the general demand for agricultural products will remain approximately the same as in 1952 and with prices to the producer holding about steady with a possible slight improvement in prices for hogs and poultry products. However, there appears little likelihood of any significant change in the present high cost of farm operation.

Notwithstanding these circumstances, agriculture in Alberta remains in a healthy condition and the over-all future outlook is encouraging. The world food situation emphasizes the need for ever-increasing agricultural production, while our rapidly expanding domestic economy will continue to provide more local markets for farm products.

WATER RESOURCES AND POWER DEVELOPMENT

Last year the Legislature authorized the expenditure of \$3,750,000 for the construction of distribution canals and other necessary facilities in connection with the St. Mary Milk River Irrigation development project. A further sum of \$3,810,000 is being requested to continue this project and complete facilities to serve some 137,500 irrigable acres from the Chin reservoir now under construction. The complete project ultimately will provide irrigation for over 380,000 acres of semi-arid land. Some work will be undertaken this year in the western section of the Bow River Irrigation project. This will consist of constructing a distribution system which will become operative the following year.

Under the terms of an agreement between the Province and the Calgary Power Company Limited, the Company will proceed immediately with the construction of a power dam on the Bow River at the Bears paw power site approximately ten miles upstream from the City of Calgary. This project when complete will furnish an additional 22,000 H.P. of electric energy and facilitate the control of winter

flooding of the Bow River in the vicinity of Calgary. The consumption of electric energy is increasing rapidly and the potentialities of additional power development sites are being fully investigated. The available supply of electric energy has been increased to a total of 400,000 H.P.

NATURAL RESOURCES

Petroleum and Natural Gas

In 1952 the development of Alberta's oil resources continued on an unprecedented scale. Crude oil production totalled 58,915,723 barrels, an increase of 13,000,000 over the previous year. There were 926 new oil producing wells completed during the year, bringing the total to 3,664 as at December 31st, 1952. The potential allowable oil production increased from 245,000 barrels daily to over 290,000 barrels per day.

The number of active petroleum and natural gas leases at December 31st, 1952, totalled 20,062 comprising 14,902,396 acres, as compared with 14,330 leases covering 9,113,083 acres at the end of the previous year. Petroleum and natural gas prospecting reservations active at December 31st, 1952, numbered 704, involving 41,286,091 acres of Crown mineral rights. As at the same date there were 39 natural gas licenses covering 1,861,085 acres as compared with 25 active licenses involving 1,596,326 acres at the end of the previous year. Footage drilled during the year totalled 6,631,529 feet, an increase of 1,068,864 feet over the previous year.

Accelerated exploration drilling brought the discovery rate in 1952 to a record level. While a number of strikes require further drilling to evaluate fully their significance, at least one major field was established during the past year. This was the Bonnie Glen field in the Pigeon Lake area which is probably the largest reservoir found since the Redwater discovery in 1948. Other strikes in the same general area have indicated that further large reservoirs of both natural gas and oil may be developed in a chain of thick Devonian reefs extending southwest from the Leduc field.

What appears to be the first really significant oil discovery in the Peace River area was made at Sturgeon Lake where 90 feet of oil bearing reef was found. Several significant discoveries were made in the area between Stettler and Drumheller.

The continued steady increase in potential daily production emphasizes the importance of steps being taken to provide additional outlets to wider markets. By the fall of 1953, the Trans Mountain pipeline to the Pacific coast will be completed. The initial through-put will be in excess of 75,000 barrels per day, of which approximately 45,000 barrels will be required for oil refineries in the Vancouver area while the remainder will be exported to available markets in the Pacific northwest area of the western United States. A 35,000 barrel per day refinery, now under construction near Bellingham, Washington, will be served by an extension of the Trans Mountain pipe line. It is expected that potential markets in the Pacific northwest will make possible a progressive increase in the through-put of the line until it reaches its full capacity of approximately 200,000 barrels per day.

In eastern Canada the transportation bottleneck caused by winter suspension of navigation on the Great Lakes between the Interprovincial oil pipe line terminal at Superior, Wisconsin, and the refineries at Sarnia, Ontario, is being eliminated by the construction of a 30-inch pipe line from Superior to Sarnia. This line, when completed, will substantially increase the annual through-put of the Interprovincial pipe line and will bring additional eastern Canadian markets within economic reach of our oil production.

The proven natural gas reserves of the Province have substantially increased during the past year. The Bonnie Glen field is regarded as a major discovery and an extensive wet gas field has been established at Nevis where heavy test flows have been obtained from wells located over a large area. A substantial number of other significant discoveries have been recorded in widely scattered areas throughout the Province.

Natural gas production in 1952 was 95,697,000,000 cubic feet, of which 55,774,000,000 were marketed in Alberta and 8,551,000,000 cubic feet in British Columbia and the United States.

To stimulate continued orderly development of Alberta's vast potential gas reserves, adequate markets for gas surplus to our own requirements are essential, and for this reason it is the policy of the Government to approve the export of surplus gas for which no local market is available. As at January 31st, 1953, some 300 gas wells representing a capital investment of over \$18,000,000 were capped for lack of a market. This situation, unless corrected, will have a progressively deterring influence on further gas exploration and development and also on the search for oil.

In the Pincher Creek area of southern Alberta, vast supplies of gas, rich in chemical by-products such as propane, butane and sulphur, remain undeveloped because no adequate market is available in the Province for the residue gas remaining after the chemical by-products have been extracted. There is a wide and increasing demand for these by-products within the Province and their availability would do much to stimulate further secondary industry.

The Government believes the interests of the people of Alberta will be best served by the continued progressive development of their natural resources, both from the standpoint of ensuring for themselves a more abundant supply of products for their own future use and also from the standpoint of sharing in the substantial benefits which will accrue to the Province as a whole from such development. It will continue to be the Government's policy to protect fully the interests of the people of Alberta by approving for export only gas that has been determined by the Petroleum and Natural Gas Conservation Board to be surplus to our own requirements, but for the reasons I have outlined it is the Government's intention to facilitate the establishment of adequate export markets for such surplus gas at the earliest possible date. In approving the export of surplus gas, the Government will adhere to its policy of giving first priority to other Canadian markets if, in the opinion of the Board, the economic factors involved are not incompatible with the interests of Alberta producers and the Province as a whole.

BITUMINOUS OIL SANDS

During the past year 11 new prospecting permits were issued on 550,000 acres of bituminous oil sands in the area north of McMurray. Core testing programs and other surveys are in progress over large areas of the deposit and several of the larger companies are engaged in laboratory experiments and other research on oil recovery methods. Indications are that development of this greatest known oil deposit in the world will be actively undertaken in the not far distant future.

SULPHUR

During the year, Alberta's second sulphur plant went into operation at Turner Valley with a production capacity of 30 tons of elemental sulphur per day. Production during the year from the Jumping Pound and Turner Valley plants combined totalled 8,931 tons.

SALT

Salt production for the year totalled 24,550 tons, an increase of 4,969 tons over 1951. Work has been commenced on a new plant at Duvernay, which will produce caustic soda and chlorine from salt wells in the vicinity. These chemicals will be supplied to other industries in the Province in the form of soda ash and hydrochloric acid. Natural gas wells in the area will provide fuel for the plant's operations.

COAL

Coal production for the past year totalled 7,194,472 tons, a decrease of 466,804 tons from the previous year. High production costs and transportation charges are making it increasingly difficult for coal to meet the increasing competition of other fuels.

MINERAL EXPLORATION

Active mineral exploration was carried on in the northeast area of the Province during the past year. In the vicinity north of Lake Athabasca, 230 quartz claims were filed as compared with 23 in 1951. Most of these claims were concentrated in the Leland Lake area near the northern boundary of Alberta. The principal object of the search is uranium, of which mineral some occurrences are believed to have been found.

LANDS AND FORESTS

During the past year there has been a substantial increase in demands for Crown lands for homestead purposes. At the end of March, 1946, there were 776 homestead leases covering 187,106 acres of land, from which was derived a net revenue of \$3,003. At the end of December 1952, there were 6,250 homestead leases in force covering 1,519,791 acres of Crown lands and providing a net revenue of \$135,956. To meet the increased demand new lands constantly are being surveyed and opened for settlement.

During the past year, survey parties operated in the Battle River, Blueberry Mountain, Snipe Lake and Valleyview areas in the north-western part of the Province. Approximately seven townships, or 1,000 quarter sections, were opened for settlement and several additional townships will be opened during 1953.

As at March 31st last there were in force 2,038 grazing leases covering slightly less than three million acres and providing a net revenue in excess of \$500,000. Approximately 350,000 acres are held under cultivation leases by 1,791 lessees. Almost six million acres of Crown lands now are under lease or permit for agricultural purposes.

The demand for timber compared favourably with 1951. During the past year, 391,101,000 board feet of lumber, 1,193,847 railway ties and 33,000 cords of fire-killed spruce pulpwood, were cut and removed from Alberta's forests. The total value of these products is estimated at \$17,500,000, as compared with \$15,900,000 for the previous year.

INDUSTRIAL DEVELOPMENT

The value of goods manufactured or processed in the Province last year was \$461,865,000 as compared with \$422,000,000 in 1951.

A substantial number of new industries was established in the Province during the year while expenditures for industrial building and plant expansion totalled approximately \$22,000,000.

The Alberta Industrial Corporation has assisted 36 individual projects with loans totalling \$4,389,585 of which amount \$1,795,445 is outstanding. The Corporation shows total assets of \$1,904,136 and liabilities of \$1,836,438. Accumulated surpluses to December 31st last amount to \$67,698.

The Registrar of Companies reports that 956 Alberta companies were registered during the year, representing capital totalling \$346,602,000. In addition 237 outside companies were registered.

CO-OPERATIVE ACTIVITIES

Continued encouragement and assistance has been extended to sound co-operative enterprises during the past year and the number of Co-operative Associations in operation has increased by 69 to 523 as at December 31st, 1952.

Rural Electrification Associations increased from 180 to 232 with a total membership of 14,738. Rural electrification projects in operation or under construction represent an investment of approximately \$14,000,000. Loans to these associations guaranteed by the Province totalled \$5,160,000 as at December 31st, 1952.

Credit Unions continue to show steady growth with a membership now in excess of 30,000 as compared with 28,455 at the end of 1951. There are 193 Credit Unions in operation with total assets exceeding \$6,000,000.

ALBERTA HAIL INSURANCE BOARD

During the past year, 15,482 farmers insured with the Board 3,544,415 acres of crop for amounts totalling \$26,712,481. The premiums charged for this protection averaged 62¢ per acre, or 8.2% of the total liability assumed.

Claims as a result of hail damage amounted to \$1,170,204 on 380,731 acres of crop, a substantial reduction over the previous year.

From the year's surplus earnings \$165,000 was distributed to policy holders whose premiums were paid in full prior to November 30th. An additional amount of \$80,792 has been set up as a reserve for future dividends under a new three-year insurance plan.

The Board has received loyal co-operation and support from farmers generally with the result that in addition to paying dividends to policy holders a reserve fund of approximately \$2,400,000 has been accumulated as a safeguard against possible excessive losses in any future year.

TREASURY BRANCHES

The steadily expanding volume of business transacted by the Provincial Treasury Branches is reflected in the increase in total deposits from \$34,456,000 as at December 31st, 1951, to \$38,744,000 as at December 31st, 1952. During the same period the number of depositors accounts increased by 1,710 to a total of 58,724.

Loans to Municipalities, School Divisions and Co-operative enterprises have increased from \$2,326,000 to \$4,537,000 as at December 31st, 1952. Loans to individuals and other loans have decreased by nearly 4 million dollars to \$11,930,000 as at the same date.

Cash holdings increased from \$2,781,000 to \$8,582,000 while investments from the Depositors Reserve Trust Account in Dominion bonds have been maintained at \$13,300,000.

Revenues for the fiscal year ended March 31st, 1952, show an increase of \$63,786 over the previous year. During the same period, operating costs increased by \$175,128, resulting in an operating loss of approximately \$35,000. It is anticipated that higher returns on investments will offset this deficit during the ensuing year.

Total credits to the reserve fund amount to \$200,112 while charges against the fund, less subsequent recoveries total \$104,351, leaving a balance in the fund of \$95,761 as at March 31st, 1952.

As at December 31st last, 45 branches, 14 sub-branches and 96 agencies, with a staff of 337, were in operation.

PUBLIC ACCOUNTS

The Public Accounts for the fiscal year ended March 31st, 1952, have been tabled and released to the Public Press and it is unnecessary for me to deal with them in detail at this time. The statement shows a net surplus of \$9,009,663 for the year, notwithstanding the greatly increased expenditures for Public Works, Social Services and Municipal Assistance.

CURRENT FISCAL YEAR

The interim financial statement for the nine months period from April 1, 1952, to December 31, 1952, has been made available to the honorable members of this Assembly by the Provincial Auditor.

The statement shows an over-all cash surplus for this period of \$16,659,045. It is estimated that for the entire fiscal year ending March 31, 1953, the surplus will be approximately \$22,000,000.

This amount, as compared with the original estimated surplus of \$279,300 is accounted for mainly as follows:

	Original Estimate	Revised Estimate	Increase
Tax Rental Agreement.....	\$27,225,000	\$ 31,225,000	\$ 4,000,000
Fuel Oil Tax.....	12,600,000	15,000,000	2,400,000
Alberta Liquor Board.....	12,000,000	13,500,000	1,500,000
Sale of Crown Leases.....	12,300,000	22,000,000	9,700,000
P. and N.G. Royalties.....	11,000,000	13,000,000	2,000,000
P. and N.G.—Fees, Rentals, etc.....	13,200,000	17,000,000	3,800,000
	\$88,325,000	\$111,725,000	\$23,400,000

PUBLIC DEBT

I have referred to the fact that during the past year Alberta became the first Canadian Province in which the remaining provincial debt now is less than the Province's accumulated cash surpluses and investments.

For the information of the Honourable Members, the following statement indicates the progress which has been made in debt reduction from March 31st, 1936, to December 31st, 1952:

Year Ended	Net Funded Debt	Net Guaranteed Debenture Debt	Unfunded Debt	Total Debt
March 31, 1936.....	\$142,941,031	\$ 5,672,358	\$18,413,755	\$167,027,144
March 31, 1940.....	142,926,186	5,022,516	8,573,071	156,501,773
March 31, 1945.....	138,821,431	3,941,644	7,396,744	150,159,819
March 31, 1950.....	121,165,894	32,000	9,402,793	130,600,687
March 31, 1951.....	100,596,738	26,000	11,207,594	111,830,132
March 31, 1952.....	97,742,487	4,000	2,690,603	100,437,090
December 31, 1952.....	94,801,037	2,000	2,700,000	97,303,037
Total Reduction \$69,724,107.				

As at December 31st, 1952, the accumulated cash surplus was \$15,388,108 and investments in bonds and debentures amounted to \$79,504,764, making a total of \$94,892,872. In addition, the Province has other substantial long term investments including:

Loans to Municipalities under

The Self Liquidating Projects Act \$15,027,698

Loans to Alberta Government Telephones..... 28,275,790

making a grand total of \$138,196,360 which sum exceeds the total remaining provincial debt by \$40,893,323. The Government does not consider it advisable, under present circumstances, to accelerate the present annual maturities which provide for the orderly retirement of the remaining public debt by 1973. We believe it is more in the public interest to utilize accumulated surpluses to reduce the burden of municipal taxation and remove the need for municipal governments to accumulate external debts at excessive rates of interest.

For the ensuing year, provincial debt service charges will represent only 3.55% of the estimated revenue on Income Account.

ESTIMATES

Fiscal year ending March 31st, 1954

May I now direct your attention to the Estimates of Revenue and Expenditure for the fiscal year ending March 31st, 1954. Copies of the detailed estimates have been tabled and made available to all honourable members.

A summary of the total estimated Revenue and Expenditure on both Income and Capital Accounts, is as follows:

Estimated Revenue—Income Account	\$133,053,160	
Estimated Receipts—Capital Account	5,315,000	
		\$138,368,160
Estimated Expenditure—Income Account.....	\$85,418,345	
Estimated Payments—Capital Account.	52,539,785	
		137,958,130
Estimated Surplus—Income and Capital Accounts		\$ 410,030

The estimated Revenue on Income account is shown in the following table by departments, and is compared with the estimated Revenue for the current fiscal year:

REVENUE—INCOME ACCOUNT

Department	Estimates 1953-54	Estimates 1952-53	Increase
Executive Council	\$ 963,000	\$ 863,200	\$ 99,800
Legislation	11,065	11,065	
Agriculture	412,295	392,455	19,840
Agricultural Water Resources	60,000	40,000	20,000
Attorney General	2,560,900	2,239,000	321,900
Education	223,000	193,600	29,400
Municipal Affairs	53,000	44,700	8,300
Provincial Secretary	20,689,000	16,502,000	4,187,000
Public Health	1,267,750	1,105,800	161,950
Public Works	270,100	175,000	95,100
Treasury-Govt. of Canada Subsidies	2,135,000	2,125,000	10,000
Treasury-Tax Agreements	28,000,000	25,100,000	2,900,000
Treasury	19,491,700	16,263,750	3,225,750
Industries and Labour	229,270	223,700	5,570
Economic Affairs	4,000	1,000	3,000
Lands and Forests	5,300,000	5,000,000	300,000
Mines and Minerals	46,432,000	38,300,000	8,132,000
Highways	4,951,300	4,037,100	914,200
	\$133,053,160	\$112,619,370	\$20,433,790

An increase of \$20,433,790.

The main items accounting for the anticipated increase in revenue are as follows:

Item	1953-54	1952-53	Increase
Petroleum and Natural Gas:			
Sale of Leases	\$ 13,000,000	\$ 12,000,000	\$ 1,000,000
Rentals, Fees, etc.	16,000,000	12,000,000	4,000,000
Royalties	12,700,000	10,300,000	2,200,000
Tax Rental Agreement	30,135,000	27,225,000	2,910,000
Fuel Oil Tax	16,000,000	12,600,000	3,400,000
Alberta Liquor Control Board	14,000,000	12,000,000	2,000,000
Automobile and Trucks—Fees and Licenses	7,912,000	6,561,000	1,351,000
School Lands—Sales, Rentals, Fees	3,500,000	2,105,000	1,395,000
Earnings from Investment of Surplus Funds	3,245,000	2,305,000	940,000
Land Titles Act	1,700,000	1,400,000	300,000
Amusement Tax Act	1,224,000	992,000	232,000
Revenue from Provincial Institutions	1,163,000	1,001,000	162,000
Statute Fines	470,000	350,000	120,000
Companies Act—Fees	235,000	145,000	90,000
All other sources	12,169,160	11,635,370	533,790
	\$133,053,160	\$112,619,370	\$20,433,790

This substantial increase in estimated revenues involves no new taxation in any form or any increase in prevailing tax rates, license fees or other levies. In fact, some incidental annual license fees will be abolished and the Registration of Assignments of Crown Lands Act, under which a 10% levy currently is collected on the increased value of assigned interests in Crown mineral leases will be repealed. These levies have been regarded generally as nuisance taxes and their abolition will simplify administration both for the businesses affected and the departments of government concerned. The increased revenues anticipated for the ensuing year will result from the further orderly development of our natural resources and the progressive expansion of our provincial economy under a system of competitive individual enterprise.

The following table indicates the percentage of total Income anticipated from each major source of revenue on a comparative basis for the five-year period commencing with the fiscal year 1949-50.

The percentage of revenue from the main sources is shown on a comparative basis during the last five years:

	Actual 1949-50	Actual 1950-51	Actual 1951-52	Estimated 1952-53	Estimated 1953-54
Tax Transfer Agreement.....	18.94	17.07	18.23	24.17	22.65
Fuel Oil Tax, Car and Truck Licenses	17.41	15.22	15.92	17.02	17.97
Alberta Liquor Control Board	13.06	10.21	10.62	10.66	10.52
Natural Resources.....	41.45	41.73	37.68	38.45	38.88
All Other Sources.....	9.14	15.77	17.55	9.70	9.98
	100%	100%	100%	100%	100%

Actual percentages are shown for the first three years and estimates for the present uncompleted fiscal year and for the coming year 1953-54.

EXPENDITURE—INCOME ACCOUNT

The total expenditures on Income Account are estimated at \$85,418,345, an increase of \$12,529,300 over the amount provided last year. To assure that the people of the Province as a whole receive the maximum in value and benefits from the expenditure of public funds, the allocation of those funds to the various departments of government demands the most careful consideration by every honourable member of this Assembly.

The following table indicates the total estimated expenditures by departments which the Government recommends for the ensuing year. The amounts appropriated last year are shown for purposes of comparison.

Department	Estimates 1953-54	Estimates 1952-53	Increase	Decrease	Percentage
Public Debt—Service Charge	\$ 2,079,460	\$ 2,136,760		\$ 57,300	2.43%
Executive Council	1,147,140	998,290	\$ 148,850		1.34
Legislation	452,035	442,930	9,105		.53
Agriculture	2,232,125	2,189,675	42,450		2.61
Agricultural Water Resources	133,340	117,180	16,160		.16
Attorney General	3,004,115	2,490,235	513,880		3.72
Education	18,648,130	15,906,080	2,742,050		21.83
Municipal Affairs	822,150	624,810	197,340		.96
Provincial Secretary	669,800	547,320	122,480		.78
Public Health	15,627,400	12,752,580	2,874,820		18.30
Public Works	2,987,730	2,648,345	339,385		3.70
Railways	22,730	22,390	340		.03
Treasury	9,636,128	8,100,000	1,536,128		11.28
Industries and Labour	939,930	872,055	67,875		1.10
Public Welfare	7,320,090	8,366,070		1,045,980	8.57
Vocational Training	409,467	386,300	23,167		.48
Economic Affairs	555,690	514,050	41,640		.65
Lands and Forests	3,157,775	2,465,330	692,445		3.70
Mines and Minerals	891,870	742,320	149,550		1.04
Highways	12,034,440	7,984,355	4,050,085		14.09
	\$82,771,345	\$70,307,045	\$13,567,580	\$1,103,280	
Debt Retirement	2,647,000	2,582,000	65,000		3.10
	\$85,418,345	\$72,889,045	\$13,632,580	\$1,103,280	100.00

A net increase of \$12,529,300.

In examining the estimated expenditures by departments, Honourable Members will note a decrease of \$57,300 in the amount appropriated for debt service charges. This is due primarily to the present premium on Canadian dollars used to meet interest payments and principal maturities payable in U.S. funds. A sum of \$2,647,000 is provided for further debt retirement under the schedule of annual maturities adopted in 1945 and revised in 1950 to provide for the complete liquidation of all remaining provincial bonded indebtedness by 1973.

Under the Executive Council, there is an increase of \$67,705 for the Research Council of Alberta and \$75,000 for increased payments under The Public Service Pension Act.

The Department of Agriculture, including the Water Resources Branch, has been allocated \$2,365,465. New items include \$50,000 in the Extension Department for radio broadcasting as part of an enlarged agricultural public information service. A further new item of \$50,000 is provided to defray the cost of rabies control in surveyed areas. An additional \$300,000 is provided for this same purpose in unsurveyed territory under the Department of Lands and Forests. Grants to the Edmonton and Calgary Exhibition Associations, amounting to \$91,900, which previously appeared in the Estimates for the Department of Agriculture, have been transferred to the Treasury Department.

Estimated expenditures for the Attorney General's Department show an increase of \$513,880, mainly accounted for by a new Royal Canadian Mounted Police agreement providing for increased pay and additional men at a cost to the Province of \$221,800 over last year. Operation costs of the Fort Saskatchewan and Lethbridge gaols have increased by \$48,625 and the operation of the Bowden Institute and Juvenile Offenders Branch requires an additional \$69,845.

The largest departmental allotment, as in previous years, is for the Department of Education where provision is made for expenditures totalling \$18,648,130, an increase of \$2,742,050 over the present fiscal year. To assist municipal ratepayers in meeting the present high operating costs of schools, grants for this purpose have been increased by \$1,747,000 to a total of \$11,617,000. Certain revisions will be made in the school grants formula to ensure the equitable distribution of these increased operational grants. The Province's contribution to the Teachers' Pension Fund has been increased to \$650,000 and the appropriation for grants to assist in the construction of schools has been increased from \$2,000,000 to \$2,700,000. For the ensuing year the Government will continue to pay construction grants on the basis of 25% of the cost of approved construction. A new and improved formula to become effective January 1st, 1954, will be introduced as an amendment to The School Buildings Assistance Act during the present session. A further amendment will increase from 25% to 40% the portion of school debentures which the Provincial Treasurer is authorized to purchase for The School Lands Trust Fund. This will reduce to 35% of the total approved capital construction costs, the maximum amount of debentures which school districts will be required to offer on the open market. To facilitate the sale of these debentures, the Government guarantee of the interest will be extended to apply until the debentures are paid in full. To protect ratepayers from excessive debt

service charges, in every case where the lowest tender for school debentures involves an interest rate in excess of 5% the issue will be purchased by the Provincial Treasurer for the School Lands Trust Fund. This will ensure that no school district will be required to pay interest in excess of 5% on any new debentures offered on the open market.

In the Department of Municipal Affairs, the main increase in appropriations is for civil defence, for which \$341,490 has been provided as compared with \$152,880 for the present year. The sum of \$200,000 will be expended for the conversion and standardization of fire fighting equipment and \$50,000 has been allocated for the training of personnel necessary to the civil defence program.

An appropriation of \$669,800 is provided for the Provincial Secretary's Department, an increase of \$122,480 over the present year. The increase is due primarily to additional equipment and staff necessary for testing drivers of automobiles in an effort to curb the rising death toll and reduce injuries and property damage resulting from traffic accidents.

For the Department of Public Health, provision is made for net expenditures totalling \$15,627,400, an increase of \$2,874,820 over the amount appropriated last year. Higher operating costs have made it necessary to increase grants to local authorities for hospitalization by \$533,000 to a total of \$2,037,200 for the ensuing year. In addition, per diem grants of 70 cents per patient day paid to each hospital in the Province will require the further sum of \$1,290,000.

To meet increased costs of hospitalization and medical services for pensioners and recipients of mothers' allowance and their dependents, an additional \$940,000 will be required during the ensuing year, while an extra \$742,000 will be necessary to cover increased costs under The Maternity Hospitalization Act. The over-all cost to the Provincial Treasury of the major public health services now provided are summarized in the following table:

Service	1953-54	1952-53	Increase or Decrease*
Tuberculosis	\$ 1,549,800	\$ 1,572,800	23,000*
Cancer Treatment, net	268,000	251,160	17,440
Maternity Hospitalization	1,942,400	1,200,700	741,700
Mental Institutions	3,622,200	3,559,100	63,100
Hospital and Medical Services for Pensioners	2,391,000	1,451,900	939,100
Grants to Hospital and Local Authorities	3,327,200	2,606,400	720,800
Public Health Laboratory	267,500	279,500	12,000*
Hospital Construction Grants	500,000	500,000	—
Poliomyelitis Sufferers' Act	117,100	34,000	83,100
Other Health Services	1,641,600	1,297,220	344,380
	\$15,627,400	\$12,752,580	\$2,874,820

The appropriation for the Department of Public Works totals \$2,987,730. The increase of \$339,385 over the amount allocated last year is accounted for mainly by the greater number of public buildings and the increased cost of maintenance.

For the Treasury Department the estimated increase in expenditures is \$1,536,128. The total appropriation is \$9,636,128 of which the sum of \$7,385,108, representing 50% of the net receipts under The Fuel Oil Tax Act during the past calendar year is allocated as grants to municipalities under The Municipal Assistance Act. To provide for

the more equitable distribution of this fund, which is increased by \$1,393,957 over last year, a new Municipal Assistance Act will be introduced during the present session embodying an improved formula adopted after consultation with municipal authorities. Under the new formula the aggregate sum accruing from 50% of the net receipts under The Fuel Oil Tax Act will be divided into two funds on the basis of population as between urban and rural municipalities. The total amount thus allocated to urban municipalities will be distributed on a per capita basis with each urban municipality receiving a grant in proportion to the ratio of its population to the total population of all urban municipalities. The sum allocated to rural municipalities will be apportioned under the same formula as last year. For both urban and rural municipalities the tax reduction subsidy provided under The Municipal Assistance Act of 1951 will be eliminated. Last year, under the Act, \$2,463,411 were paid to municipalities as tax reduction subsidies and \$3,527,739 as unconditional grants. Under the new Act, the total sum of \$7,385,108, available for distribution during the ensuing year, will be paid as unconditional grants and it will be left to each municipality to decide what portion, if any, of its increased grant it will pass on to its ratepayers by a reduction in the municipal mill rate. The new formula will not only be simpler to administer but will afford a greater measure of responsible self-government to the local authorities.

The substantial increase in the total sum to be distributed as unconditional grants will improve the financial position of municipalities generally and should bring about an easement in the prevailing high rates of municipal taxation. Further provision for increased municipal assistance will be indicated in the estimates for other departments and in special statutory appropriations with which I will deal later.

The Department of Industries and Labor has been allocated \$939,930, an increase of \$67,875 over the amount appropriated last year. This increase is due primarily to greater industrial activity and to the fact that the administration of The Boilers Act, formerly under the Department of Public Works, has been transferred to the Department of Industries and Labor.

Net appropriations for the Department of Public Welfare total \$7,320,090, a decrease of \$1,045,980. This reduction is due to the transfer of the administration of the Rosehaven Rest Home to the Department of Public Health and to a more accurate estimate of anticipated payments under The Old Age Assistance Act now possible in the light of the experience of the past year.

A new appropriation totalling \$200,000 is included to provide pensions for certain of our people suffering from chronic disabilities which render them unfit to obtain gainful employment. Legislation to authorize the payment of these pensions will be introduced at the present session. Expenditures under The Child Welfare Act are expected to total \$514,120 while payments under The Mothers' Allowance Act will amount to \$1,050,000 during the ensuing year.

Appropriations for the Department of Lands and Forests have been increased by \$692,445 to a total of \$3,157,775. The major increases are due to an expanded program for the greater conservation of our forest resources.

An allotment of \$891,870 has been made to the Department of Mines and Minerals. Expenditures of \$149,550 over the previous year are due to the ever increasing activity in the development of our natural resources.

Estimated expenditures on Income Account by the Department of Highways are increased by \$4,050,085 to a total of \$12,034,440. The following summary indicates the major increases over the present year and the purposes for which they have been provided:

	1953-54	1952-53	Increase
Ferries ..	\$ 275,000	\$ 200,000	\$ 75,000
Bridges.....	2,077,400	1,156,475	920,925
Main Highways.....	3,500,000	2,200,000	1,300,000
District Highways.....	5,625,000	3,880,000	1,745,000
General.....	557,040	547,880	9,160
	\$12,034,440	\$7,984,355	\$4,050,085

Honourable Members will note that the largest appropriation amounting to \$5,625,000 is for the improvement and maintenance of district roads. This appropriation, which is \$1,745,000 more than the amount provided last year, has been allocated as follows:

	1953-54	1952-53	Increase
Grants to Improvement Districts.....	\$2,500,000	\$1,500,000	\$1,000,000
Grants to Special Areas.....	125,000	80,000	45,000
Grants to Municipal Districts.....	3,000,000	2,300,000	700,000
	\$5,625,000	\$3,880,000	\$1,745,000

CAPITAL ACCOUNT

The attention of the Honourable Members now is directed to the Capital section of the Estimates.

Capital Receipts

Estimated capital receipts total \$5,315,000, an increase of \$1,078,100 over the current fiscal year. The following summary indicates the anticipated capital receipts by departments.

Department	Estimates 1953-54	Estimates 1952-53	Increase	Decrease
Agriculture.....	\$ 115,000	\$ 135,000		\$ 20,000
Agricultural Water Resources	232,200	240,100		7,900
Municipal Affairs	12,000	8,000	\$ 4,000	
Public Works	4,500	203,000		198,500
Treasury.....	1,627,300	1,070,800	556,500	
Lands and Forests.....	161,000	66,700	94,300	
Highways.....	3,163,000	2,513,500	649,500	
	\$5,315,000	\$4,236,900	\$1,304,700	\$226,400

A net increase of \$1,078,100.

The decrease in Public Works revenue is attributable to the fact that the majority of outstanding accounts now have been collected. The substantial increase in the Treasury Department is due to increased repayments on loans under The Self Liquidating Projects Act, and from the Alberta Government Telephones. Increased Capital Receipts in the Lands and Forests Department represent reimbursements

from the Government of Canada in connection with the Dominion Provincial Forestry Agreement. The increase in the Capital Receipts in the Department of Highways is due to reimbursement under the Trans Canada Highway Agreement.

Capital Expenditures

For the ensuing year, estimated expenditures on Capital Account are \$52,539,785, an increase of \$8,851,860 over the amount provided last year.

The details by Departments are as follows:

Department	Estimates 1953-54	Estimates 1952-53	Increase	Decrease
Agriculture	\$ 96,000	\$ 131,000		\$ 35,000
Agricultural Water Resources	4,620,025	4,221,110	\$ 398,915	
Public Works	6,636,000	8,759,725		2,123,725
Treasury	5,025,000	5,025,000		
Lands and Forests	200,740	557,120		356,380
Mines and Minerals	10,000	10,000		
Highways	35,952,020	24,983,970	10,968,050	
A net increase of \$8,851,860.	\$52,539,785	\$43,687,925	\$11,366,965	\$2,515,105

Honourable members will note that the major increase in estimated Capital Expenditures is in the Department of Highways for which the sum of \$35,952,020 is provided. During the ensuing year it is proposed to undertake the most extensive highway construction program in the history of the Province as the initial stage of an integrated four-year plan designed to provide the citizens of Alberta with an adequate system of modern all-weather main arterial highways.

The major expenditures proposed for the ensuing year are as follows:

	1953-54	1952-53	Increase	Decrease
Ferries	\$ 25,000	\$ 50,000		\$ 25,000
Bridges	3,000,000	2,000,000	\$1,000,000	
Main Highways	26,152,770	17,668,630	8,484,140	
Trans-Canada Highway	6,336,580	5,031,670	1,304,910	
Sundry	437,670	233,690	203,980	
	\$35,952,020	\$24,983,970	\$10,968,050	\$25,000

Of the amount of \$6,336,580 provided for the Trans-Canada highway, \$3,150,000 will be reimbursed by the Government of Canada.

For the Department of Agriculture, Water Resources Branch, the sum of \$3,810,000 is provided for construction work on the St. Mary's and Milk River Irrigation Development Project. A further sum of \$255,000 is allocated for the Bow River Irrigation Project.

In the Department of Public Works, \$5,732,500 is provided for the construction of necessary public buildings. The main allocations are as follows:

To construct buildings at Agricultural Schools and Demonstration Farms	\$ 100,500
To complete staff buildings, construct annex to Nurses' Home and Sundry construction at the Central Alberta Sanatorium	288,000
To complete additional dormitories and construct male staff buildings at the Provincial Training School, Red Deer, and other sundry construction	467,200
To construct additional wards and a service building at the Provincial Mental Hospital, Oliver	700,000
To complete Nurses' Home at Oliver, and construct a new Boiler Room	160,000

To complete Dormitory at the Ponoka Mental Hospital.....	100,000
To complete Dormitory at the Rosehaven Auxiliary Home at Camrose.....	200,000
To construct Blood Transfusion Service Building at Edmonton.....	100,000
To complete the Engineering Building and commence construction of an Agricultural Building at the University of Alberta.....	625,000
For the construction of Public Works maintenance and storage shops.....	428,500
To construct Highways Testing Laboratory.....	50,000
For construction of necessary Provincial Office Buildings at various centres throughout the Province.....	455,000
For completion of Court Houses at Edmonton and Drumheller.....	500,000
For completion of Cell Block and Sundry construction at the Fort Saskatchewan and Lethbridge Gaols.....	225,500
For general construction at the Provincial Institution at Bowden.....	328,500
To construct a Rehabilitation Centre for Alcoholics.....	75,000
For miscellaneous construction on Public Buildings throughout the Province..	929,300
	<hr/> \$5,732,500 <hr/>

The Government is adhering to its policy of allocating for Capital Expenditures and the retirement of Public Debt incurred for Capital Expenditures all revenues accruing from the sale of Crown petroleum and natural gas leases and from royalties on oil production.

As in previous years, I have prepared a statement showing for comparative purposes the revenues accruing from these sources and the expenditures for capital construction and debt retirement during the same period.

Revenue from Oil Development, Sale of Crown Leases and Royalties.

1948-49.....	\$10,340,000
1949-50.....	26,550,000
1950-51.....	32,768,000
1951-52.....	22,580,000
1952-53.....	28,024,000
(Actual to Dec. 31, 1952)	
1953-54 (Estimated).....	25,500,000
	<hr/> \$145,762,000 <hr/>

Expenditures on Capital Construction

1948-49.....	\$ 16,790,000
1949-50.....	16,757,000
1950-51.....	23,326,000
1951-52.....	24,593,000
1952-53.....	30,514,000
(Actual to Dec. 31, 1952)	
1953-54 (Estimated).....	38,760,000
	<hr/> \$150,740,000 <hr/>
Funded Debt Retirement during the same period..	29,670,000
	<hr/> \$180,410,000 <hr/>

Loans to Municipalities under The Self Liquidating Projects Act will be continued for one more year and the sum of \$5,000,000 has been provided in the Capital Estimates for this purpose. This brings to \$22,000,000 the total amount made available to Municipalities under this statute. At the end of the next fiscal year, it is proposed to discontinue The Self Liquidating Projects Act in view of the more comprehensive municipal capital loans revolving fund to be established during the present session and with which I would now like to deal under the heading of statutory appropriations.

STATUTORY APPROPRIATIONS

I have already emphasized that the next important step in ensuring financial stability at all levels of Government is to institute practical measures to assist Municipalities in attaining a position of financial independence. To that end, during this session you will be asked to establish by statute a Municipal Loans Revolving Fund of \$25,000,000 from which loans will be made to Municipalities for approved Capital Expenditures. The term of the loans will range from 5 years to 25 years and the interest rates from $2\frac{1}{2}$ to $3\frac{1}{2}$ % as follows:

5-year serialized debentures—	$2\frac{1}{2}$ %
10-year serialized debentures—	$2\frac{3}{4}$ %
15-year serialized debentures—	3 %
20-year serialized debentures—	$3\frac{1}{4}$ %
25-year serialized debentures—	$3\frac{1}{2}$ %

These rates are approximately 2% under the rates currently charged on municipal debentures offered on the open market, a factor which in itself will save municipal ratepayers at least \$500,000 annually in debt service charges.

The fund proposed, together with the sum provided under The Self Liquidating Projects Act, will enable the Provincial Government to take care of the total estimated necessary capital borrowings of all Alberta Municipalities for the ensuing year. All repayments of principal will remain in the revolving fund and will be supplemented annually by additional appropriations as provincial revenues permit. The objective is to eliminate as rapidly as possible all external municipal borrowings.

It must not be assumed that the Province will be able to provide all municipal capital borrowings that may be necessary in each future year. The time required to increase the revolving fund to an amount sufficient that the repayments will provide for all necessary new loans will depend on the future buoyance of provincial revenues and the co-operation of municipal councils and ratepayers in progressively reducing the aggregate of municipal borrowings.

The major advantages of the program I have outlined may be summarized as follows:

1. It will extend to municipal ratepayers the financial benefits accruing to the Province from the development of our natural resources.
2. It will effect substantial savings for municipal ratepayers by reducing interest rates on necessary municipal borrowings.
3. It will retain in the Province all interest payments which will become part of the general revenue fund to be used in the interests of the people as a whole.

The second Revolving Loan Fund, which it is proposed to establish during the present session, will be for the purpose of making loans to Rural Electrification Associations to meet capital expenditures involved in the construction of rural electrification transmission lines. The sum of \$3,000,000 will be allocated for the ensuing year and the intention is to supplement this amount annually until the fund reaches a total of \$10,000,000, at which figure it is anticipated that the annual repayments will be sufficient to take care of the new loans required.

The loans will be made directly to the Rural Electrification Associations and each Association will be responsible to apportion its indebtedness among its members to be repaid in annual instalments at $3\frac{1}{2}\%$ interest over a period not exceeding 10 years. The loans will be sufficient to enable the Association to construct its transmission lines with a down payment of only \$150 by each of its individual members. To further assist Associations which prefer to finance under the provisions of The Co-operative Marketing Associations Guarantee Act, the Government will extend its guarantee to cover borrowings for capital construction up to 85% of the total cost of the project, depending on the percentage of farmers agreeing to participate within the area to be served. These combined provisions will bring the cost of rural electrification within reach of practically every farmer who can be served within the limits of economic feasibility.

A third statutory Revolving Fund which Honourable Members will be asked to approve involves an initial sum of \$75,000 to be used for the purposes of making loans to qualified and approved high school graduates requiring a measure of financial assistance to enable them to obtain a University education. This assistance will help prevent deserving students being denied an opportunity to obtain University training because of adverse financial circumstances.

A further statutory appropriation of \$8,000,000 will be required to provide additional capital funds for the Alberta Government Telephones to meet the steadily increasing demands for additional telephone facilities. The sum proposed will be advanced as a loan to the Telephone Department repayable in annual instalments over a period of 25 years.

MUNICIPAL ASSISTANCE

Honourable Members will have noted that throughout the budget proposals particular emphasis has been placed on measures to improve the financial position of municipalities and extend to municipal rate-payers the benefits which have accrued to the Province through the Government's policy of securing for the people as a whole an equitable share of the proceeds from the development of their natural resources.

The following table summarizes the direct and indirect financial aid provided for municipalities and other local authorities for the ensuing year. For comparative purposes the figures for last year also are included.

	1953-54	1952-53
EDUCATION:		
School Grants	\$11,617,000	\$ 9,870,000
Grants to Teachers' Retirement Fund	650,000	565,000
Capital Construction Grants under The School Buildings Assistance Act.	2,700,000	2,000,000
	<u>\$14,967,000</u>	<u>\$12,435,000</u>

PUBLIC HEALTH:	1953-54	1952-53
Grants for Hospitalization..	\$ 3,645,000	\$ 2,606,000
Hospital Construction Grants..	500,000	500,000
Grants for Health Services ..	58,000	58,000
	<hr/>	<hr/>
	\$ 4,203,000	\$ 3,164,000
	<hr/>	<hr/>
HIGHWAYS:		
Grants for roads in Municipal and Improvement Districts..	\$ 5,625,000	\$ 3,880,000
Grants for Bridges ..	1,600,000	800,000
	<hr/>	<hr/>
	\$ 7,225,000	\$ 4,680,000
	<hr/>	<hr/>
LANDS AND FORESTS DEPT.:		
Refunds to Municipalities for Grazing Leases....	\$ 200,000	\$ 200,000
	<hr/>	<hr/>
TREASURY DEPARTMENT:		
Grants to Municipalities under Crown Properties Grants Act.....	\$ 50,000	\$ 30,000
Municipal Assistance Act ..	7,385,000	5,991,000
	<hr/>	<hr/>
	\$7,438,000	\$6,021,000
	<hr/>	<hr/>
Total Direct Financial Assistance ..	\$33,830,000	\$26,500,000
	<hr/>	<hr/>

This total direct financial assistance exceeds by more than \$3,000,000 the total provincial revenues of only 7 years ago and is \$7,330,000 more than the amount appropriated last year. In addition to this direct assistance there is being appropriated under The Self Liquidating Projects Act and legislation establishing the new municipal borrowings revolving fund, an aggregate sum of \$30,000,000 which, as already stated, will provide for all necessary municipal capital borrowings during the coming year. By the end of 1953, savings to municipal ratepayers on interest charges alone on monies advanced under these two statutes and from the School Lands Trust Fund will be approximately \$1,200,000 annually.

Let me emphasize that the purpose of this comprehensive municipal assistance program is not to encourage Municipalities to undertake unwarranted expenditures or incur unnecessary debt. Its purpose and objective is to assist Municipalities in attaining a position of financial stability in order that the burden of municipal taxation may be progressively reduced. The Government is confident it can expect the necessary wholehearted co-operation of Municipal councils and municipal ratepayers in attaining the objective I have stated.

CONCLUSION

The budgetary proposals I have presented reflect the tremendous development currently taking place in our provincial economy and the monetary provisions which the Government considers necessary to ensure continued progress and stability. No new financial burdens have

been placed on either individuals or industry and every effort has been made to so order the fiscal program for the ensuing year that it will stimulate further orderly development and encourage an ever increasing measure of competitive individual enterprise.

In the allocation of provincial revenues, particular attention has been paid to those public services which contribute most to the good and welfare of the people as a whole and to measures which have as their objective an easement in the present excessive rates of school and municipal taxation.

In closing this budget address, I would again stress the importance of the continued progressive development of our natural resources from which over 38% of our estimated revenue will accrue during the coming year.

The welfare of our basic industry, Agriculture, is of even greater importance in that it provides directly or indirectly a greater proportion of the total income of the people of this Province than any other branch of our economy.

We must not lose sight of the fact that both the development of our natural resources and the stability of Agriculture can be seriously affected if the chronic defects inherent in the existing national monetary system are permitted to precipitate a repetition of the disastrous deflation which caused the economic collapse that followed the inflationary period after the First World War. In recent months, the inflationary trends of the past few years, in both Canada and the United States, have been reversed and now are moving in the opposite direction with steadily increasing momentum. Declining prices for primary products, accumulating surpluses, extensive credit buying and rising rates of interest all are indications that production of consumer goods is overtaking the buying power of the consuming public. If this trend continues it is only a matter of time until money again will be in short supply. Past experience has shown that under the existing monetary system a chronic shortage of consumer purchasing power is inevitable unless the supply of money distributed in the production of consumer goods is augmented through non-consumable production such as the extensive international armament programs which have provided this artificial stimuli in recent years. There is obviously something fundamentally wrong with an economy that must depend on the threat of war for its financial solvency. This situation can be corrected only by the intelligent regulation of the national money and credit supply to establish and maintain the necessary equation between purchasing power and production. Not until this is done can the devastating consequences of both inflation and deflation be avoided, and permanent economic stability assured.

This is a matter of national as well as provincial importance but unfortunately the fundamental monetary reforms necessary to the effective solution of the problem are not within the constitutional jurisdiction of this Assembly. This does not, however, detract in any way from our responsibility within the spheres in which this Legislature is sovereign to do everything in our power to secure for the people we are privileged to represent the effective control of their own credit resources which is one of the fundamental principles of the Social

Credit philosophy to which this Government unreservedly subscribes. We have endeavored conscientiously to apply those principles both in the formation and application of government policies relating to the operation and development of our provincial economy. The fact that Alberta has progressed from the verge of bankruptcy to a financial and economic position unequalled by any other Canadian Province indicates that those policies have been basically sound.

Within the constitutional limitations to which I have referred the fiscal program proposed for the ensuing year represents a further progressive step towards our ultimate goal. That goal is a debt-free Province in which every citizen will have an unfettered opportunity to attain through his own initiative and enterprise a share of the material abundance our vast resources make physically possible.

Mr. Speaker, I move that you do now leave the chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

STATEMENT No. 1
Government of the Province of Alberta
STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1952

Date of Issue	Date of Maturity	Amount Outstanding	(Original Interest Rate	Reduced Interest Rate (a)	Currency in which payable (at holders' option)	Call Feature
DEBENTURES & STOCK:						
Jan. 15, 1926	Jan. 15, 1946	\$ 300.00	4 1/2%	2 1/4%	C. or U.S.	Non-callable
Jan. 1, 1922	Jan. 1, 1947	10,000.00	5 1/2%	3 3/4%	C. or U.S.	"
Mar. 1, 1932	Mar. 1, 1947	5,000.00	6	3	C. or U.S.	"
Jan. 1, 1923	Jan. 1, 1948	1,000.00	5 1/2%	2 1/2%	C. or U.S.	"
Apr. 1, 1922	Apr. 1, 1948	4,000.00	5 1/2%	2 3/4%	C. or U.S.	"
June 1, 1945	June 1, 1952	2,325,000.00	2 1/4%	2 1/4%	C. or U.S.	"
Dec. 1, 1947	Dec. 1, 1952	2,400,000.00	3	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1953	2,400,000.00	3	2 1/4%	C. or U.S.	"
Dec. 1, 1947	Dec. 1, 1953	2,500,000.00	3	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1951	2,174,000.00	3	2 1/4%	C. or U.S.	"
Oct. 1, 1924	Oct. 1, 1954	5,500.00	4 1/2%	2 1/4%	C. or U.S.	"
Dec. 1, 1947	Dec. 1, 1954	2,500,000.00	2 3/4%	2	C. or U.S.	"
Dec. 1, 1934	Dec. 1, 1954	6,000.00	4	2	C. or U.S.	"
June 1, 1945	June 1, 1955	2,549,000.00	3	2 1/2%	C. or U.S.	Callable
Sept. 1, 1933	Sept. 1, 1955	5,000.00	5	2 1/2%	C. or U.S.	Non-callable
Dec. 1, 1947	Dec. 1, 1955	2,500,000.00	3 1/4%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1956	2,683,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Oct. 1, 1946	Oct. 1, 1956	4,000.00	4 1/2%	2 1/4%	C. or U.S.	"
Dec. 1, 1947	Dec. 1, 1956	250,000.00	2 3/4%	2 1/4%	C. or U.S.	"
Jan. 1, 1927	Jan. 1, 1957	1,000.00	4 1/2%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1957	2,721,000.00	3 1/4%	2 1/4%	C. or U.S.	"
Dec. 1, 1947	Dec. 1, 1957	250,000.00	2 1/4%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1958	2,812,000.00	3 1/4%	2 1/4%	C. or U.S.	"
July 16, 1928	July 16, 1958	12,000.00	4 1/2%	2 1/4%	C. or U.S.	"
Oct. 1, 1945	Oct. 1, 1958	19,000.00	4 1/2%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1959	2,906,000.00	3 1/4%	2 1/4%	C. or U.S.	"
Oct. 1, 1929	Oct. 1, 1959	16,700.00	5	2 1/4%	C. or U.S.	"
May 1, 1930	May 1, 1960	2,700.00	4 1/2%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1960	3,003,000.00	3 1/4%	2 1/4%	C. or U.S.	"
Mar. 1, 1943	Mar. 1, 1961	4,240,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Apr. 1, 1931	Apr. 1, 1961	400.00	4 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1930	Mar. 1, 1962	4,360,000.00	2 3/4%	2 1/4%	C. or U.S.	Callable
June 1, 1945	June 1, 1962	3,000.00	3 1/2%	2 1/4%	C. or U.S.	Non-callable
Mar. 1, 1930	Mar. 1, 1963	4,180,000.00	3 1/2%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1963	4,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1930	Mar. 1, 1964	2,000.00	3 1/2%	2 1/4%	C. or U.S.	"
June 1, 1945	June 1, 1964	4,500,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1945	Mar. 1, 1964	5,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1950	Mar. 1, 1965	4,730,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1950	Mar. 1, 1965	5,000.00	3 1/2%	2 1/4%	C. or U.S.	"
Mar. 1, 1950	Mar. 1, 1965	4,800,000.00	3 1/2%	2 1/4%	C. or U.S.	"

[illegible]

(a) Reduced interest rates tendered by the Province.
Abbreviations: C.—Canada; U.S.—United States of America; N.—Great Britain.

STATEMENT No. 2 Government of the Province of Alberta STATISTICS

(Revised to latest available figures)

AREA:	Square Miles	Acres
Land.....	248,800	159,232,000
Water	6,485	4,150,400
Total.....	255,285	163,382,400

DISPOSITION OF LAND AREA:	Sq. Miles	Acres
National Parks	20,718	13,259,520
Provincial Parks.....	14	8,960
Provincial Lands, including—		
Leased lands and forest reserves but not Provincial Parks.....	135,788	86,904,320
Alienated Lands from the Crown or in process of alienation.....	78,313	50,120,320
Indian Reserves.....	2,296	1,469,440
Federal Lands other than National Parks and Indian Reserves.....	11,671	7,469,440
Total.....	248,800	159,232,000

(Of the above, the Dominion Bureau of Statistics, Ottawa, estimates that 90,457,600 acres of land have agricultural possibilities.)

ARABLE FARM LANDS, 1951:	Acres	Acres
Improved Land under crop, pasture, etc.....	22,271,044	
Unimproved Land, woodland, etc.....	22,188,588	
Total Occupied Farm Lands.....		44,459,632
Total unoccupied Farm Lands (Estimated).....		23,540,000
TOTAL (Estimated).....		67,999,632

FORESTED LANDS:	Sq. Miles	Acres
Forested Lands.....	130,620	83,596,800

POPULATION:			
Year	No.	Year	No.
1901.....	73,022	1931.....	731,605
1906.....	185,195	1936.....	772,782
1911.....	374,295	1941.....	796,169
1916.....	496,525	1946.....	803,330
1921.....	588,454	1951.....	939,501
1926.....	607,599		

FARM POPULATION:		Male	Female	Total No.
Year	No.	No.	No.	
1931.....	211,416	163,681		375,097
1936.....	224,357	176,033		400,390
1941.....	211,918	172,046		383,964
1946.....	185,880	149,730		335,610
1951.....	187,664	152,291		339,955

FARMS:		Area Occupied	Average Area per Farm
Year	No.	Acres	Acres
1901.....	9,479	2,735,630	288.60
1911.....	60,996	17,359,333	284.60
1916.....	67,977	23,062,767	339.27
1921.....	82,954	29,293,053	353.12
1926.....	77,130	28,572,987	370.45
1931.....	97,408	38,977,457	400.15
1936.....	100,358	40,539,934	403.95
1941.....	99,732	43,277,295	433.94
1946.....	89,541	41,451,454	462.93
1951.....	84,315	44,459,632	527.30

In 1951, approximately 63 per cent. of the farms were operated by the owner. The numbers of farms are not strictly comparable owing to changes of definitions of farm units in recent census years.

LIVESTOCK ON FARMS:		No.—1951	No.—1952	No.—1951	No.—1952
Horses.....	260,800	239,700	Domestic Fowl.....	8,348,000	8,420,000
Cattle.....	1,563,000	1,754,000	Turkeys.....	395,000	640,000
Sheep and Lambs ..	330,500	387,000	Geese.....	64,700	80,000
Swine.....	930,714	1,170,000	Ducks.....	62,000	95,000

STATEMENT No. 2 (Continued)
Government of the Province of Alberta
STATISTICS

AGRICULTURAL PRODUCTION

FIELD CROPS:	1951		1952 (Preliminary)	
	Production, Bus.	Value, \$	Production, Bus.	Value, \$
Wheat.....	152,000,000	\$229,520,000	172,000,000	\$266,600,000
Coarse Grains.....	217,504,000	215,152,000	257,700,000	233,438,000
Flaxseed.....	1,570,000	6,123,000	2,000,000	6,360,000
Potatoes.....	2,354,000	4,049,000	3,256,000	4,884,000
	Tons		Tons	
Sugar Beets.....	349,194	5,907,000	480,000	7,200,000
Tame Hay and Green Feed.....	2,166,400	38,357,000	2,275,700	35,149,000
*Miscellaneous.....		4,859,000		6,013,000
Value of Field Crops' Production..		\$503,067,000		\$559,644,000

* Includes forage crop seed, dry peas, vegetables for processing, and mustard seed.

LIVESTOCK AND LIVESTOCK PRODUCTS:	1951		1952	
	No.	Value	No.	Value
Cattle.....	393,870	\$102,007,000	377,032	\$ 71,116,000
Calves.....	95,404	11,320,000	82,223	6,506,000
Sheep and Lambs.....	96,924	2,674,000	128,698	2,432,000
Swine.....	957,773	49,411,000	1,362,144	52,674,000
Horses.....	28,418	934,000	17,087	706,000
Dairy Products.....		47,258,000		45,375,000
Poultry Products.....		30,057,000		24,285,000
Honey and Wax.....		569,000		618,000
Wool.....		1,088,000		916,000
Fur Farming.....		2,826,000		2,836,000
Value of Livestock and Livestock Products..		\$248,144,000		\$207,464,000

Gross Value of Agricultural Production.. \$751,211,000 \$767,108,000

NATURAL RESOURCES

NATURAL RESOURCES:	1951		1952	
	Production	Value, \$	Production	Value, \$
Petroleum.....	45,915,384 bbls.	\$115,809,221	58,915,723 bbls.	\$139,657,915
Natural Gas (Well Head).....	85,380,121 M.C.F.	4,269,006	95,697,432 M.C.F.	4,784,872
Coal.....	7,661,276 tons	41,000,953	7,194,472 tons	39,974,318
Salt (at the wells).....	19,770 tons	197,700	24,388 tons	243,880
Forestry—Lumber cut.....	375,000,000 Ft., lm.	14,981,000	391,100,000 Ft. lm.	15,644,000
Forestry—Miscellaneous.....		3,073,000		3,300,000
Commercial Fishing.....	8,399,088 lbs.	862,327	9,656,981 lbs.	942,888
Fur (Wild Life).....		2,530,978		1,765,849
Total Natural Resources.....		\$182,724,185		\$206,313,722

OTHER STATISTICS

OTHER STATISTICS	1951	1952
Trade and Industry—		
Retail Trade..... Sales.....	\$ 818,365,000	903,965,000
Wholesale Trade..... Sales.....	490,000,000	550,000,000
Manufacturing Industries..... Value of Production, \$.....	433,060,000	461,865,000
Railway Mileage..... Miles.....	5,808	5,763
Schools in Operation..... No.....	2,284	2,137
Motor Vehicles..... No.....	259,841	290,000
Surfaced Highways..... Miles.....	20,155	22,650
Bank Clearings..... \$.....	2,963,850,119	3,594,105,352
Bank Debits..... \$.....	6,241,574,585	7,857,888,767
Construction Industry..... Contracts Awarded.....	\$ 183,075,100	232,332,800
Defence Contracts..... \$.....	13,318,538	27,014,090

